

Message Text

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C O N F I D E N T I A L KATHMANDU 4836

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, NP, IN

SUBJECT: INDIAN AMBASSADOR'S COMMENTS ON INDO/NEPALESE
RELATIONS

1. SUMMARY: IN AN EXTENDED CONVERSATION WITH CHARGE
INDIAN AMBASSADOR RASGOTRA REVIEWED THE CURRENT STATE OF
INDO/NEPALESE RELATIONS, PLACING PARTICULAR EMPHASIS ON
CONTINUITY. HE INSISTED THAT WHILE GOI HAD BEEN DEEPLY
ANGERED BY GON POSITION ON SIKKIM, INDIA HAD NOT MADE AND
DID NOT PLAN TO MAKE ANY SIGNIFICANT CHANGES IN ITS
RELATIONS WITH NEPAL. HOWEVER, THE EXTENT OF INDIA'S
ASSISTANCE TO NEPAL WOULD DEPEND IN FUTURE ON NEPAL'S
DESIRES AND ON ITS AWARENESS OF VITAL INDIAN INTERESTS.
END SUMMARY.

2. IN DISCUSSING INDIA'S FUTURE RELATIONS WITH NEPAL
RASGOTRA SAID THAT INDIA WOULD RESPOND POSITIVELY WHENEVER
IT RECEIVED REQUESTS FOR ASSISTANCE FROM THE GON. IT
WOULD NOT FORCE ITS AID ON AN UNWILLING NEIGHBOR, HOWEVER.
HE CITED INDIA'S WILLINGNESS TO PROVIDE AUGMENTED COM-
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MUNICATIONS FACILITIES FOR THE CONORATION PERIOD AS AN

EXAMPLE OF THIS POSTURE. HE DENIED VIGOROUSLY PRESS REPORTS THAT INDIA HAD BEEN EXERTING ECONOMIC PRESSURE ON NEPAL. AID AND TRADE WAS GOING ON AS USUAL AND IN ACCORDANCE WITH BILATERAL AGREEMENTS AND TREATIES.

3. RASGOTRA, HOWEVER, WAS AT GREAT PAINS TO POINT OUT THAT NEPAL COULD NOT EXPECT A PRIVILEGED RELATIONSHIP WITH INDIA IF IT WAS UNWILLING TO TAKE INTO ACCOUNT INDIA'S VITAL INTERESTS. HE SAID THAT DURING HIS VISIT TO NEW DELHI HE HAD NEVER SEEN THE GOI SO "ANGRY" ON A POLITICAL ISSUE AS IT WAS OVER SIKKIM. NEPAL'S RECENT DECISION TO SUPPORT THE PAKISTANI NUCLEAR FREE ZONE PROPOSAL AT THE UNGA WOULD ALSO NOT BE WELL RECEIVED SINCE IT ALSO WENT AGAINST VITAL INDIAN INTERESTS, HE SAID. CONFIRMING THAT PRIME MINISTER RIJAL WOULD BE MEETING MRS. GANDHI IN DECEMBER HE THOUGHT IT WOULD BE EXTREMELY USEFUL FOR THE PRIME MINISTER TO GET A FIRST HAND IMPRESSION OF THE STRENGTH OF INDIA'S FEELING ON THESE ISSUES.

4. WHEN ASKED WHAT INDIA'S FUTURE POSTURE WOULD BE WITH REGARD TO THE NEPAL CONGRESS PARTY EXILES, HE SAID THAT HE HAD GIVEN THE GOVERNMENT OF NEPAL CATEGORIC ASSURANCES THAT THERE WAS NO CHANGE IN INDIA'S POLICY. WHAT THE KING WAS TOLD DURING HIS STATE VISIT A YEAR AGO CONTINUED TO BE GOI POLICY. IF THERE WAS POLITICAL TROUBLE IN NEPAL IN THE FUTURE IT WOULD NOT BE RELATED TO ANY STEPS WHICH INDIA COULD TAKE. INDIA BELIEVED IT WAS UP TO NEPAL TO DECIDE WHAT KIND OF POLITICAL SYSTEM IT WANTED.

5. IN THE OVERALL CONTEXT OF INDO/NEPALESE RELATIONS RASGOTRA REPEATEDLY CALLED FOR A NEW REALISM BETWEEN THE TWO COUNTRIES. SOME NEPALESE, HE SAID, STILL BELIEVED THAT INDIA ATTACHED GREAT STRATEGIC IMPORTANCE TO NEPAL. THEY ARGUED INDIA SHOULD BE GRATEFUL THAT ITS DEFENSE PERIMETER BEGAN AT KODARI AND NOT A BAXAUL. RASGOTRA ACKNOWLEDGED THAT IF THIS HAD BEEN THE GOI'S VIEW IN THE EARLY 60'S, IT WAS NO LONGER. NEPAL OUGHT NOT ASSUME THAT INDIA ATTACHED UNDUE IMPORTANCE TO IT. INDIA
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WAS MORE IMPORTANT TO NEPAL THAN NEPAL TO INDIA, AND THE GON SHOULD BE REALISTIC ON THIS POINT. IF NEPAL WISHED A CLOSER RELATIONSHIP WITH CHINA, INDIA WOULD NOT OBJECT BUT IT COULD NOT THEN EXPECT THE PAST SPECIAL RELATIONSHIP TO CONTINUE UNCHANGED. UNFORTUNATELY, RASGOTRA SAID, THE KING WAS INEXPERIENCED AND WAS SURROUNDED BY YOUNG ADVISORS WHO DID NOT REALIZE THE POLITICAL FACTS OF LIFE. REGRETFULLY, EXPERIENCED CIVIL SERVANTS LIKE

FOREIGN SECRETARY KHATRI WERE IGNORED.

6. LOOKING TO THE FUTURE, RASGOTRA SAID THAT HE THOUGHT IT WOULD BE DESIRABLE FOR INDO/NEPALESE RELATIONS TO BECOME LESS PRIVILEGED AND MORE LIKE THOSE BETWEEN ANY TWO OTHER INDEPENDENT STATES. INDIA COULD NOT CONTINUE TO SUBSIDIZE THE NEPALESE ECONOMY INDEFINITELY. HE CITED COAL AS AN EXAMPLE OF INDIAN CONCESSIONAL AID IN WHICH NEPAL BOUGHT COAL NOT AT THE INTERNATIONAL PRICE BUT AT THE INDIAN DOMESTIC PRICE, THEREBY RECEIVING AN EFFECTIVE ANNUAL SUBSIDY OF \$5 MILLION. ANOTHER EXAMPLE WHICH RASGOTRA GAVE OF CONCESSIONAL TREATMENT WAS THE RIGHT OF MIGRATION FROM NEPAL TO INDIA. HE CLAIMED THAT 100,000 NEPALIS EACH YEAR MIGRATED PERMANENTLY TO INDIA. UNDER THE CIRCUMSTANCES HE THOUGHT THE NEPALESE PRESS WAS COMPLETELY UNREASONABLE IN CRITICIZING THE VERY LIMITED MIGRATION (PERHAPS 5,000 TO 6,000 THIS YEAR) WHICH MIGHT HAVE TAKEN PLACE INTO THE TERAJ FROM BIHAR. THIS MIGRATION WAS NOT A SIGNIFICANT PROBLEM, HE INSISTED, AND NO ONE IN THE GON HAD FORMALLY RAISED THE ISSUE WITH HIM.

7. OVERALL, RASGOTRA MADE CONSIDERABLE EFFORTS TO PORTRAY GOI POSITION AS REASONABLE, FIRM, MODERATE AND, IN ITS OWN LIGHTS, GENEROUS. HE CAREFULLY AVOIDED ANY SUGGESTION THAT INDIA WOULD TAKE PUNITIVE STEPS AGAINST NEPAL, ARGUING RATHER THAT ANY CHANGES IN THE REALTIONSHIP WOULD BE THOSE DESIRED BY NEPAL RATHER THAN INDIA. THAT HE EXPECTED CHANGE TO COME, HOWEVER, HE MADE CLEAR. WITH THE RENEGOTIATION OF THE TRADE AND TRANSIT TREATY SCHEDULED FOR 1975 AND THE CURRENT INDIAN TOUGH MINDEDNESS ON POLITICAL ISSUES, THESE CHANGES COULD BE EXTENSIVE.

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